



30 Greenhills Road,
Pakenham, 3810

6th October, 2009

Mr. Sean Coley, Executive Officer,
Outer Suburban/Interface Services & Development Committee,
Parliament of Victoria,
Parliament House, Spring Street,
East Melbourne, Vic. 3002

Dear Sir,

Re: State Labor Governments proposed GAIC

We are the owners of 35 ha of land in Pakenham which was brought into the UGB in 2005.

We have vigorously rejected any notion of an Infrastructure Tax by the way of letters to the Premier Mr. John Brumby, Planning Minister, Mr. Justin Madden and to our local Members of Parliament. This tax, if implemented in its current form is totally unfair.

We have supported all the reasons of objection, the most important reasons being -

1. We feel it very unjust that we can be forced to pay higher Council rates, which in a lot of cases will force people to sell, before the land reaches its "many millions" of dollars as suggested by the Planning Minister. Upon selling the Vendor will have to pay a flat rate tax per hectare, regardless of the selling price. The new owner can then sit on the property until its full potential is "supposedly" reached, and sell for a profit and contribute nothing to the infrastructure. Surely you cannot say that is a fair outcome?
2. We feel that any tax for infrastructure should be paid by the user, ie the people who purchase the subdivided land after it has been developed. They will be the true users of any

infrastructure. If a hectare is cut into 12 blocks a contribution of \$ 7,900 per block would be paid by the purchaser on the GAIC Tax contribution of \$ 95,000 per hectare. Surely that is a much fairer and equitable way to impose this tax.

I trust that you will seriously consider the impact the GAIC, if implemented in its current proposed form, will have on the ordinary landowners of Victoria.

For your information you will find enclosed a copy of a letter sent to Mr. Justin Madden Minister for Planning and Mr. John Brumby Premier of Victoria, in June this year.

Yours sincerely,



ALLAN J. TONKS
(0418519901)



CHRISTINE L. TONKS

24th June, 2009

30 Greenhills Road,
PAKENHAM, 3810

Mr. J. Madden,
Minister for Planning,
Ministerial Office,
Level 17, 8 Nicholson Street,
East Melbourne. 3002

Dear Mr. Madden,

Re : GROWTH AREAS INFRASTRUCTURE CONTRIBUTION

Further to our letter of 16th March, 2009 and our subsequent meeting with Mr. Peter Seamer, Chief Executive Officer, Growth Areas Authority, we are compelled to write to you again in the hope that common sense will prevail and this proposed \$80,000 per hectare "grab for cash" will be squashed.

Our meeting with Mr. Seamer was most unsatisfactory, he was unable to answer many questions that we put to him and in fact appeared to have done little preparation for our meeting. He had not even taken the time to find out exactly where our property is, we had to point it out to him on a very small map that he had of the area. We found that extraordinary.

It seems to us that the Growth Areas Authority are presuming that as our land has been included in the UGB we will be the recipients of a large financial windfall and they are entitled to a large slice of this windfall before the Federal Government gets their share. In this current economic climate a "large windfall" seems highly unlikely although according to Mr. Seamer we would be able to sell our property over & above market value to include the \$80,000 per hectare charge. In this current economic climate this just would not happen. He quoted a property in Pakenham recently selling at an "astronomic price" however he could not tell us exactly where this

property was in Pakenham and the exact sale price. Once again this shows his complete lack of interest or research into our meeting. He was also unable to tell us whether or not we would be expected to pay \$80,000 per Ha for land that is not marketable, we have a SEC easement through our property and also land behind that easement which Council has said won't be developed or planned for.

Mr. Seamer appeared to think that by property owners paying \$80,000 per hectare Growth Area Contribution our Capital Gains tax would be reduced and that would be ample compensation - we would much prefer the money in our pocket first as I am sure you would as well.

As mentioned in our previous letter surely this "tax slug" should be paid by the developers when the properties are developed and sold. As we stated then, the developers have the opportunity to recoup this fee when the properties are subdivided and sold whereas the individual land owner has no chance of recovering this cost. Going on the Governments "User Pays Theory" if one acre of land yielded 5 blocks an extra \$7,600 would be added to the price of the block - based on the GAIC contribution of \$95,000 per hectare or \$6,400 for each block if the GAIC contribution is \$80,000 per hectare. Once again we point out that the GAIC can be recovered far more equitably by the developer rather than stinging the poor farmer/land owner with a massive tax bill and leaving them with their retirement plans in tatters.

You may well say that nobody is forcing a property owner to sell but by the Government including these properties into the Urban Growth Boundary, Council rates rise to an exorbitant amount giving the property owner no choice but to sell before the land reaches its true value that the Government is anticipating. The forced sale will attract a lower price and the purchaser will sit on the property until

it reaches its true development value and not have to pay any GAIC as it has already been paid once by the previous owner, who has not had the opportunity to realize the properties full value. Many of these farmers have battled for years to hold onto their property only to have its value cut by up to 50% by a Government fine. In our case our rates have risen from \$4000 per year to \$18,000 per year over the past 3 years and as yet we haven't even been rezoned - we hate to think what they are going to be once our property is rezoned.

It must also be remembered that land included in the UGB will have different values, land closer to the CBD will attract a significantly higher price than land located on the outskirts of Melbourne. How can the same flat rate of tax be applied to all of these areas when their values will be so varied?

I strongly urge the planning department of the Government to rethink the GAIC, if implemented it will seriously affect the lives of many landowners in Victoria and the long term future development - residential and industrial - of Victoria and in turn the continuing reign of the Victorian Labor Government.

I once more request the opportunity to discuss this matter further with you,

Yours sincerely,

ALLAN J. TONKS
(0418519901)

CHRISTINE L. TONKS

c.c. Mr. John Brumby, Premier of Victoria